Feb. 1968

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FOREIGN AGRICULTURE

MAR 1 - 1968

February 12, 1968

Cotton Disappoints Nicaragua

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Glossary of Tobaccos

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VI • NO. 7 • FEB. 12, 1968

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Cover: Camel train is left behind as new roadway updates transportation in Ethiopia. Latest road program focuses on access to farming areas.

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (June 15, 1964). Yearly subscription rate, $7.00 domestic, $9.25 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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Problems Halt Fantastic Growth in Nicaragua's Cotton Industry

By RICHARD S. WELTON
U.S. Agricultural Attaché, San Salvador

Economic and production problems have caught up with Nicaragua's cotton industry, turning its skyrocketing growth pattern of the early 1960's into a constant battle to maintain production.

Although Nicaragua is still the No. 1 cotton producer in Central America and a formidable competitor on the world market, its industry has in the past 3 years been plagued by increased production costs and incessant crop damage from pests and drought. And the country, which depends on cotton as its leading foreign exchange earner, has seen its economic growth rate fall to about half the level of a few years back.

A constant struggle

For the past 3 seasons, farmers have tried and failed to equal the record crop of 568,000 bales (480 lb. net) in 1964-65. In the year following that record, drought and insect damage combined to drop output 11 percent to 506,000 bales. These same problems continued through 1966-67, keeping output at 525,000 bales, and on into early 1967-68. Some improvement in the weather has led to forecasts of a 540,000-bale crop this season, but yields are still estimated at only an average level of 704 pounds per acre.

These successive years of bad luck have put a squeeze on Nicaraguan cotton producers. The dropoff in yields from the record 1964-65 level was accompanied by lower prices, sharply reducing returns to producers. As a result, some have been unable to pay off loans from banks and suppliers, while others have had to go out of the cotton business entirely. Moreover, some sources fear that the Nicaraguan cotton industry may be in for a considerable shakeup such as occurred in El Salvador, where production has declined over 50 percent during the past 2 years.

Besides being disheartening to the cotton producers, the slowdown has been a depressant to the economy as a whole, which is overdependent on cotton as a moneyearner. The annual economic growth rate has fallen to 3-4 percent during the past 2 years from 8 percent during the 1961-65 period, and government planners have increasingly stressed other crops like bananas, livestock, and tobacco. However, these alternative products—except beef—remain rather small in relation to the principal export crops—cotton, coffee, and sugar. Exports of cotton (including cottonseed) totaled $65 million in 1966, or 46 percent of total export earings. Coffee, which once had been the leading foreign exchange earner, accounted for another 16 percent of export returns in 1966, while other leading exports in order of importance were beef, copper, gold, shrimp, lumber, sugar, and sesameseed.

The performance of Nicaragua's cotton industry in the 1960's has been reminiscent of past trends, which although somewhat erratic moved cotton from a minor crop to the country's most important product.

Research centers like this one (below) at Posoltega focus on the ways to further expand cotton yields and to fight the destructive pests that so often reduce output. Ship (left) loads at Corinto—port from which much of Nicaragua's cotton moves into export.

Rapid growth since World War II

The beginning of rapid expansion in this industry came about the time of the Korean War, when high prices pulled output to 205,000 bales in 1954-55 from less than 10,000 in 1948-49. This upward trend was halted, however, until the early 1960's when cotton again experienced a growing streak. By 1964-65 production had more than doubled the level of 10 years earlier, with yields at a record 822 pounds per acre—the highest from nonirrigated cotton for any major producing country in the world. And Nicaragua had achieved the rank of No. 1 cotton producer in Central America.

The most recent expansion was spurred by relatively favorable returns in relation to production costs, the penetration of interior regions with access roads, and increased availability of credit under a National Bank Program. According to a National Bank study, about half of the increased area planted to cotton between 1960 and 1965 was from new lands, and the remainder was the result of switching from competitive crops, principally corn and sesame. Under the Bank's lending program, producers had to maintain yields at a certain level, which was progressively increased during the early 1960's.

Following the 1964-65 record, farmers continued to expand acreage, though at a slower rate, with the 1967-68 total at 380,000 acres or 14 percent above the level of 3 years earlier. But this area gain was wiped out by the bad effects of mounting insect damage and drought, causing the current dilemma of the cotton industry.

A modern industry

Solving this dilemma will require more than increased mechanization or modernization, for the industry is already in a rather advanced stage. Rather, the country now faces the more difficult tasks of discarding production practices that are ineffective—especially in the control of pests—and of reducing weather's effect on the crop.

Center of this troubled industry is in the northern coastal plains, with the Departments of Chinandega, Leon, and Managua accounting for 85 percent of the planted area in 1967-68. It is largely a plantation industry run by a decreasing number of farmers—3,471 were registered with the Ministry of Agriculture in 1967-68 compared with 5,078 in 1965-66. Principal varieties of cotton grown are Delta Pine and Stoneville, with small acreages also in Acala and Parsons.

Production practices are modern compared with those of most other agricultural industries in Nicaragua. Tractor-drawn machinery is commonly used for seedbed preparation and planting, although much of the weeding is still done by hand. Machine picking is on the rise, with 167 cotton picking machines in operation in 1966, compared with 1 in 1962; and spraying is performed mainly from planes.

Application of commercial fertilizers has been increasing in recent years, particularly in areas where cotton has been continually cropped for some time and soil fertility has declined. According to data available from the Central Bank, some $2.5 million worth of fertilizer was used on cotton in 1965, accounting for over half the total fertilizer consumption.

In the field of pest control, Nicaragua also uses up-to-date practices and equipment, but efforts never seem enough to stop destructive attacks from the bollworm or corn earworm, the blackworm, and other cotton pests. A fertile field is created for them by the lush rank growth of cotton on the coastal plains, the lack of a pest-killing winter, and ineffective enforcement of regulations to destroy cotton stalks and other trash after harvest.

Coping with these pests each year has been an intensive, high-cost operation for cotton producers; it accounted for 30 percent of production costs in 1965, according to a study, and it probably takes even more today. Frequent showers during the growing season result in pesticide applications 20 to 30 times during the

season. High winds, hot climate, and the lush vegetative growth make effective application by airplane difficult.

The heavy spraying rates have contributed to problems of pesticide residues (which have cropped up in beef shipments to the United States) and to instances of pesticide intoxication and deaths in humans, particularly among airplane flaggers working in the cotton fields. There is also some concern that the heavy rate of spraying has affected the biological balance in the cotton area, as the pest problem appears to be getting progressively worse each year.

Some of the new pesticides, however, are reportedly offering promise of more effective control of the blackworm. Also, some of the producers are now using biological agents *Trichogramma* species, which reportedly assist in reducing the number of pesticide applications required.

The second major problem—continued unfavorable weather—can never be solved completely, but Nicaragua could improve its situation through increased irrigation of cotton. Thus far, irrigation has not been used to any extent for this crop. However, one large producer is now irrigating some 3,000 acres, and if this proves successful, others may adopt the practice, particularly in view of the bad results from inadequate rains over the past 3 seasons. For Nicaraguan agriculture as a whole, irrigation is still used on only about 30,000 acres out of a total irrigable area of about 750,000. Irrigated lands thus far have been devoted mainly to sugar, rice, and bananas.

Increasingly attractive to buyers

One bright spot in the picture is the recent improvement in prices for Nicaraguan cotton following 3 years of depressed returns. These prices by late 1967 were running around 29 cents per pound, f.o.b., compared with 26 cents a pound in the previous year.

Buyers have been attracted to Nicaraguan cotton because of the steady improvement in its fiber quality (some 20 percent of the 1966-67 crop graded Middling and higher). Also, this cotton is a medium-length fiber—most of it about 1-1/16 inches—which enjoys strong demand from the export market, especially since U.S. reserves are now largely restricted to shorter staple fibers. Among these markets are Japan, which took two-thirds of the total exports in 1966, as well as Portugal, West Germany, Italy, the United Kingdom, Hong Kong, and Taiwan.

Marketing of Nicaraguan cotton, moreover, has been enhanced through the extension of paved roads into major cotton producing areas and through other improvements in transportation and marketing facilities.

Future prospects uncertain

Looking to the future, it appears that Nicaraguan cotton production could be stimulated by this increased demand from abroad. However, many producers have been disheartened by the growing problem of cotton pests and may not want to take on the added costs of clearing or renting additional lands. Although there are some new lands being opened up as new roads are finished, these are declining in proportion to earlier years and will in part be used to offset diversion of older cotton lands to other crops. Many believe that there is still considerable room for expansion in Nicaragua's cotton industry, but it is doubtful that the rapid expansion rate of the early 1960's will ever again be attained.

A Difficult Quarter for French Dairy Farmers

Overall advances during the third quarter of 1967 for French dairy production, the country's largest agricultural industry, were accompanied by difficult marketing problems.

The upward trend in milk production leveled off during the third quarter of 1967 to 1.76 million gallons, owing to the rather severe drought throughout France in July and early August. By September, however, production was again exceeding that of September 1966, and continued gains were expected.

Third-quarter butter production rose 10 percent over 1966 to 121,988 metric tons, while powdered milk output took a steep 26-percent climb to 155,187 tons. Cheese production registered 6 percent higher than for the third quarter of 1966.

Outlets for surplus butter (stocks increased during the quarter from about 98,000 metric tons to 113,000) pose a severe problem. A large part of the surplus is currently held by Interlait, the French price support organization. Cheese stocks increased to 30,548 metric tons, but their disposition creates no comparable difficulty.

To reduce these butter surpluses, France plans to increase consumption of liquid milk, reduce butter production, and find new export markets for cheese, butter, and other dairy products. Review of recent efforts directed toward a solution presents a mixed picture.

Liquid milk consumption has increased little, despite television advertising and free milk in the schools. Private dairies have reduced buttermaking, but cooperatives (favored by the government over private firms) have apparently made no move toward shifting to other types of dairy products.

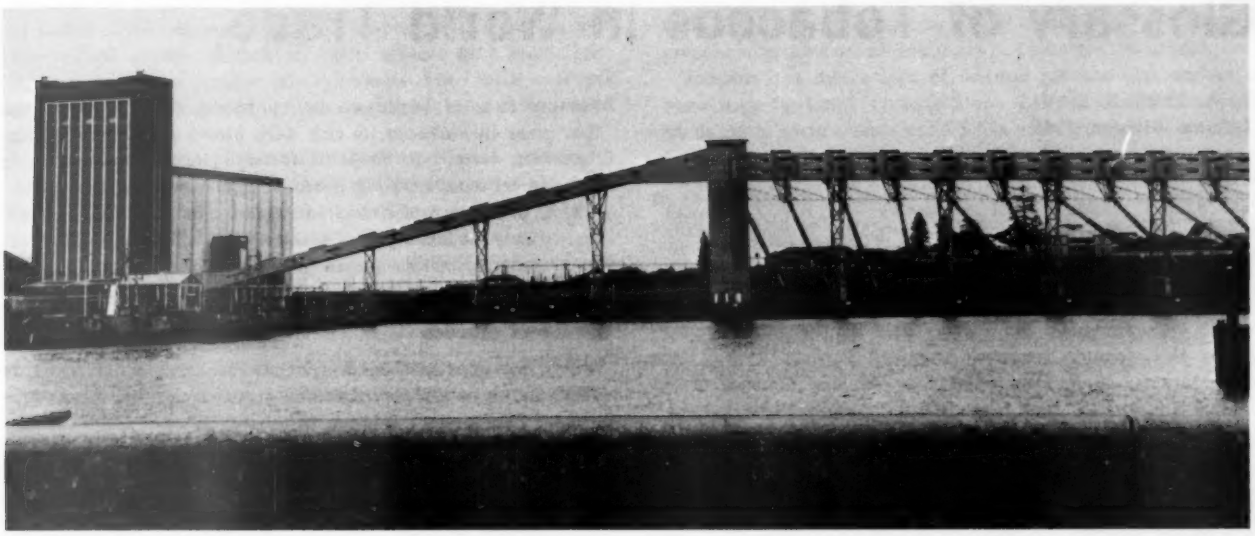
On the other hand, in response to growing demand, production is increasing for all of the more than 400 varieties of French cheese. More new types are being processed, and eye-catching innovations in packaging are attracting more consumers. Also, cheese from goat's milk is enjoying new popularity and competing successfully on both domestic and export markets. Reflecting this expanded demand, exports of cheese rose to over 20,000 metric tons, while imports were about 2,000 less than those of the preceding year.

Efforts to expand foreign butter sales also showed some success, mainly because of the extremely high export subsidies. During the third quarter, shipments exceeded 39,000 metric tons, five times butter exports in the 1966 period.

Despite increased production of whole and nonfat dry milk, exports of these products dropped about 8,000 metric tons from the 50,670 shipped during the comparable 1966 period. In the domestic market for nonfat, the main stress is on expanded use of the product in livestock feed. To help speed this trend, many dairies have been adding feed mills, usually by buying small companies in financial distress.

In spite of these efforts, France has still to find a final solution to the growing problem of surpluses. French dairy farmers looking for the profits of continued production increases can also expect pressure to increase efficiency through higher output per cow and to enlarge farm size. More serious still is the challenge to sell the growing volume of dairy products, perhaps by forming mergers—a method currently in vogue to give the French a good bargaining position on the world market.

—Based on dispatch from HAROLD L. KOELLER
Assistant U.S. Agricultural Attache, Paris



Harborside view of South Africa's newest terminal grain elevator at the port of East London.

South Africa Works To Export More Corn

The Republic of South Africa is facing a serious surplus-corn-disposal problem—as a result of a 1966-67 crop nearly two-thirds larger than any corn crop previously harvested. This crop has been officially estimated at 10.9 million short tons.

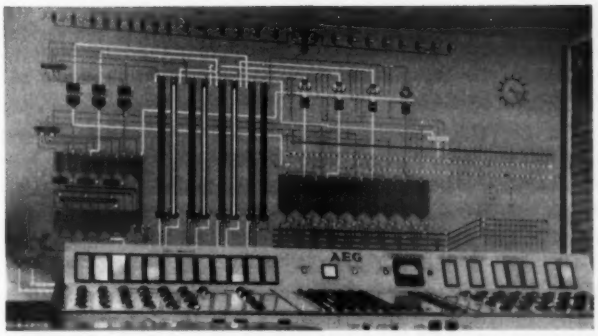
It is estimated that less than half the crop—some 5.2 million tons—will be used domestically, leaving an exportable surplus of 5.7 million tons. Of this, probably not more than 3.2 million tons can be exported by the end of this marketing year, largely because of limitations in handling facilities at ports. If the expected 2.5-million-ton carryover does materialize, it will present great storage difficulties when the 1967-68 crop is harvested.

Corn shipments from South Africa, which were about 4 cargoes per week early in this marketing year, have increased to around 6 per week over the past few months. Probably 80 percent of the exports of this bumper crop will go to the traditional markets of Japan, West Germany, the United Kingdom, the Netherlands, and Italy. It is expected that somewhat more than half will be yellow corn. In general, yellow corn is exported to Japan, white corn to Europe.

South African corn exporters, who are seeking additional outlets, say they are in a good competitive position on the world market because of the high quality of the 1966-67 crop. Quantities shipped to new markets so far this marketing year, however, have been small. Two of the new customers have been Taiwan and Spain.

The year of an alltime high corn crop also saw the opening of a new terminal grain elevator—South Africa's third. The new plant, located at the port of East London, provides bulk handling facilities for both storage and export of corn. Under normal working conditions, it is expected that 1.2 million tons of corn can be exported annually from this plant. The country's two other terminal grain elevators, both constructed over 40 years ago, are located at Durban and Cape Town. The Durban elevator is back in operation after a fire early in 1967.

Based on material supplied by HARRY R. VARNEY
U.S. Agricultural Attaché, Pretoria



Above, the central electrical control board from which all operations in the East London elevator can be watched and regulated. Below, one of the high-speed belts used for transportation of grain within the plant.

Glossary of Tobaccos in World Trade

By ALBERT B. DAVIS
Tobacco Division, FAS

Names of the many sorts of tobacco leaf that appear in reports and statistics of international trade are sometimes confusing to those unfamiliar with the tobacco industry. The glossary below describes each of the main kinds of domestic and foreign tobacco leaf, tells the countries in which it is grown, lists its main uses in manufactured products, and indicates its relative economic importance. Of the sources used by the author in preparing this glossary, two are: American Tobacco Types, Uses and Markets, *U. S. Dept. Agr. Cir. 249; and* Tobacco in the United States, *U.S. Dept. Agr. Misc. Pub. 867.*

Tobaccos traded in world markets differ from each other in one or more ways—according to seed, character of the soil in which they are grown, climatic conditions, cultural practices, and curing methods. Tobaccos grown in the United States are grouped into six main classes; most foreign-grown tobaccos could also fit into these categories.

The six main USDA market classes are: Flue-cured, fire-cured, air-cured, cigar-filler, cigar-binder, and cigar-wrapper. Each class comprises two or more tobacco types; these types are generally similar varieties grown under the same cultural practices. But they differ—in body, color, leaf composition, and response to fermentation and aging—as a result of the varying soil and climatic conditions where they are grown.

Flue-cured tobacco

The five U.S. tobacco types included in this class are Old Belt, Middle Belt, Eastern Belt, Border Belt, and Georgia and Florida Belt. All are grown in one or more of the following States: Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

Tobaccos in this class are cured with artificial heat; they are not subjected to smoke during curing. They range in color from yellow to reddish orange. They are thin to medium in body, mild in flavor. The name comes from the metal flues of the heating apparatus first used in the curing process. In this country, flue-curing is traditionally an art that is passed from father to son.

Flue-cured tobacco is the most important class of tobacco grown in the world today. It makes up a major part of cigarettes of the American-blend type—a type that has become increasingly popular throughout the world in recent years. The upward trend in cigarettes of this type has resulted in an increase in world production of flue-cured tobacco—from 2 billion pounds in 1945 to about 3.6 billion pounds in 1966. Some flue-cured is used in smoking and chewing tobaccos.

The United States produces over 1 billion pounds of flue-cured tobacco each year. It makes up 57 percent of U.S. tobacco production by volume, 80 percent of tobacco exports. Other big Free World producers are Japan, Rhodesia, Canada, India, Brazil, South Korea, and the Philippines.

Fire-cured tobacco

The three U.S. tobacco types included in this class are Virginia (grown in that State), Eastern District, and Western District. The latter two, grown in Kentucky and Tennessee, make up the bulk of this class of tobacco grown in the United States. Tobaccos in this class are cured in barns over slow-burning fires of hardwood or hardwood sawdust—a process that gives the tobacco its rich dark brown color and pleasant "smoking taste" or flavor. Fire-cured tobaccos are used in chewing tobacco, smoking tobacco, cigars, and snuff.

U.S. production of fire-cured tobacco averaged about 44 million pounds the last 3 years. About half of U.S. fire-cured tobacco is exported. Other major producing countries are Malawi, Italy, and Pakistan.

Air-cured tobacco

U.S. tobaccos in this class include all types cured primarily under natural weather conditions except cigar tobaccos, which make up three other classes.

In this country, air-curing is usually done in well-ventilated curing barns by means of outside air passing through the barn; sometimes supplementary heat is used. In some other parts of the world, air-curing is done in open sheds or under an overhanging roof.

U.S. air-cured tobaccos are subclassified as "light" or "dark." The two light air-cured types are burley and Maryland broadleaf. The dark air-cured types are One Sucker, Green River, and Virginia sun-cured.

Burley, developed over 100 years ago in Northern Kentucky and Southern Ohio from some "sport," or mutant, plants, is grown in eight States today; Kentucky and Tennessee are the principal producers. Yearly U.S. production amounts to about 600 million pounds, about one-third of total U.S. tobacco production. Burley is used mainly in American-blend type cigarettes. It adds flavor and aroma to the blend and is especially desired for its ability to absorb the sauces used in these blends. It is also used in pipe tobacco mixtures and in chewing tobaccos.

Other countries that grow sizable amounts of burley-type tobacco are Italy, Spain, Japan, Mexico, South Korea, Greece, Canada, Brazil, Rhodesia, and Malawi.

Maryland broadleaf, sometimes called only "Maryland" (the State where all U.S. tobacco of this type is grown), is a tobacco valued for its "burn," that is, its ability to hold fire. It makes up about 1 percent of the leaf used in the manufacture of cigarettes in the United States. It is also used in some cigars. The United States produces about 40 percent of the world's Maryland tobacco. Other producers include South Africa, Nigeria, Malagasy Republic, Italy, Pakistan, the Congo, and Switzerland.

Dark air-cured tobacco is grown in more countries than any other kind. At least 70 countries besides the United States produce it. U.S. dark air-cured tobaccos are medium to heavy in body and light to medium brown in color. They are used for about the same products as fire-cured tobaccos—mainly in chewing tobacco and snuff. Annual U.S. production (excluding cigar tobacco) now amounts to about 19 to 20 million pounds, of which about 5 million pounds are exported, some in "black fat" tobacco.

Black-fat is a special blend of tobaccos, consisting of dark-fired and dark air-cured leaf. For this product, tobacco is tied into hands of 4 to 6 leaves each, treated with certain oils and other preparations as it is packed into cases and subjected to great pressure. The product, which has no domestic use, is exported to Africa, where it is used mainly by native populations for pipe smoking.

Foreign dark air-cured tobaccos include: the dark tobaccos of Puerto Rico, Mexico, and the Dominican Republic; the native

tobaccos of Argentina; and the twist and other dark tobaccos of Brazil, Colombia, and Peru. In Europe, France produces over 100 million pounds of dark air-cured tobacco each year; Italy, Spain, and Poland produce lesser amounts. The USSR produces an estimated 100 million pounds each year of a kind called mahorka.

Biggest producers in Africa are Algeria, Nigeria, and South Africa—although many other countries produce some. In Asia, Iran produces a kind called tombac. Syria and Iraq produce tumbaki. Indonesia produces 115 to 135 million pounds a year of dark air-cured tobaccos, Pakistan 85 to 90 million pounds, and the Philippines, 70 million to 90 million pounds.

Cigar tobaccos

Cigar tobacco types are grouped into three classes, according to the part of the cigar in which they are used. *Cigar-filler* tobaccos are used in the center portion. *Cigar-binder* tobaccos are used to hold the filler in shape. *Cigar-wrapper* tobaccos make up the outer covering.

Of the three classes, cigar-wrapper tobaccos are the most difficult and costly to grow. Often they are grown in fields enclosed with a framework covered with cloth, which guards the tobacco against sun and extremes of weather. These cigar-wrapper tobaccos are commonly called *"shade-grown."*

Annual production of all cigar tobaccos in continental United States during the last 5 years amounted to about 100 million pounds, of which only 6 to 8 million pounds were exported; most exports were cigar-wrapper tobacco.

Other Free World producers of one or more of the cigar tobacco types are Brazil, Colombia, the Dominican Republic, Indonesia, the Philippines, Honduras, and Jamaica.

Miscellaneous tobacco types

A number of domestic tobaccos that do not fit into the six main USDA market classes are grouped into a "miscellaneous" class. The most important tobacco in this class is *perique*, which is grown only in St. James Parish, Louisiana.

Perique is cured by a unique process that involves packing dried leaves which have been formed into small twists in casks under great pressure. During the curing process, which takes about 9 months, the tobacco turns black and develops a characteristic aroma.

Small quantities of perique are used in blends in the manufacture of fancy smoking tobacco. Annual production is around 200,000 pounds; a large part of it is exported.

Two kinds of foreign-grown tobaccos that do not fit U.S. classifications are *sun-cured* and *oriental*.

Sun-cured tobaccos are light or dark. It is estimated that only about 300 million pounds of light sun-cured tobacco is produced in the Free World. Main producers, in order, are Japan, India, Mexico, and Pakistan. Mainland China also produces light sun-cured tobacco, but production data are not available. The bulk of light sun-cured tobacco is used in cigarettes and pipe tobacco.

Production of dark sun-cured tobacco in the Free World averages less than 900 million pounds a year. India produces about 500 million pounds of this; Pakistan and Burma produce about 100 million pounds each; and Thailand produces about 48 million pounds. In Asia dark sun-cured tobacco is used to a large extent in hookah (water) pipes, conventional pipes, bidis (homemade cigarlike products), snuff, and low-priced cigarettes.

Oriental tobacco, also called "Turkish" and "aromatic" tobacco, is produced mostly in the Middle East and Western Europe. Plants have a very slender stalk compared with U.S. tobaccos. Leaves are narrow and only a few inches long.

After farm curing, these tobaccos are put through a manipulation and fermentation process that takes many months. The process helps give oriental tobacco its characteristic aroma.

Latakia is a minor type of oriental tobacco that derives its name from the Latakia area in Syria. It is a smoke-cured tobacco produced in small quantities in Syria and Cyprus; it is used as a "seasoning" in some cigarette blends and pipe tobacco mixtures.

Largest producers of oriental tobacco are Turkey, Greece, Bulgaria, USSR, and Yugoslavia. Italy, Hungary, Poland, Iran, Syria, and Pakistan each produce over 15 million pounds annually. The tremendous input of hand labor required in the characteristic culture of this tobacco precludes its production in the United States.

Today approximately 11 percent of the tobaccos used in U.S. cigarettes—about 120 million pounds—is oriental.

Trends and blends

Since the American Indians introduced tobacco to settlers in the New World, its use in this country has gradually changed. Shifts in use have been from "strong" tobacco to "mild," from dark heavy-bodied types to lighter types, from cigars to cigarettes, from chewing tobacco to smoking tobacco. These changes in consumption patterns have usually entailed shifts in the types of tobacco needed for manufacture, and hence in the production of those types.

The blending of tobacco leaves of different classes, types, grades, and qualities is one of the most important and most complex features of the manufacture of tobacco products. Blending is necessary because all quality elements cannot be equally well developed in the same leaf. For example, some leaves may be highly aromatic but have poor burning qualities. Some may be too heavy-bodied or strong to be used unless mixed with lighter and milder leaf.

Combinations, or blends, are designed to tone down overdeveloped elements or strengthen underdeveloped ones. Types or grades of tobacco in blends are selected for quality factors that complement each other.

Blends combine not only different types of tobacco but tobacco of a given type from two or more years' crops, since tobacco characteristics may vary from year to year. The effect of these differences is lessened and the stability of the blend maintained by combining tobacco from different crops.

Percentages and amounts of the various kinds of tobacco leaf used in U.S. cigarette blends in 1964:

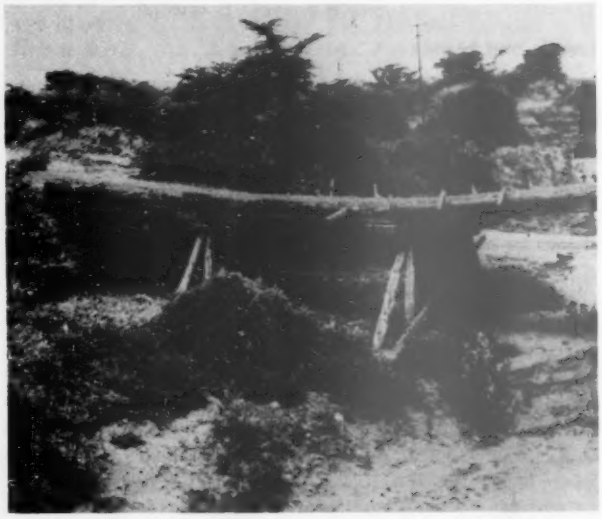
	Percent	*Million pounds*
Flue-cured	52.7	733
Burley	35.6	495
Maryland	1.2	16
Oriental	10.5	146
Total	100	1,390

KINDS OF LEAF USED IN U.S. MANUFACTURED TOBACCO PRODUCTS

Product	Kind of leaf
Cigarettes	Flue-cured, burley, Maryland, oriental.
Cigars	Filler, binder, wrapper. Some Maryland, fire-cured, and dark air-cured.
Chewing tobacco:	
Plug	Flue-cured, burley, dark air-cured; some fire-cured.
Twist	One-sucker, burley, fire-cured.
Fine-cut	Burley, Green River.
Scrap chewing	Cigar leaf.
Smoking tobacco	Burley, flue-cured, dark air-cured.
Snuff	Fire-cured; some dark air-cured.

Ethiopia Fights Distance and Isolation

Under its highway program, Ethiopia is replacing many old, worn-out bridges, like the one below, with structures of stone.



Future economic growth in Ethiopia will depend to a great extent on the progress of agriculture from a largely subsistence occupation carried on by traditional methods to one that can meet the domestic requirements of an increasing population and earn foreign exchange through exports of products in sufficient world demand. Essential to this development are roads—from highways to simple all-weather tracks—that can reach into outlying areas of agricultural potential and pull farmers into the national economy.

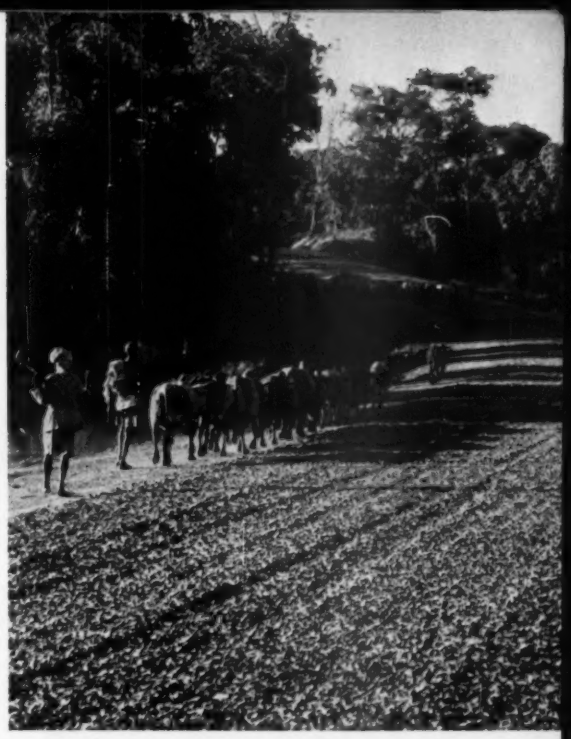
The Ethiopian Government in the early 1950's launched a major effort to improve roads, with substantial loans and credits from the World Bank and its affiliate, the International Development Association. By mid-1967, $20 million in World Bank loans and $13.5 million in IDA credits had been pumped into the country's transportation system. The highway network trebled in length as a result and now consists of 4,000 miles of all-weather roads. However, these are mainly primary roads radiating from Addis Ababa, not feeder roads that serve the needs of outlying farming areas.

Last month, the Bank, IDA, and Sweden agreed to lend Ethiopia $27 million for a 4-year highway program concentrated mainly on roads to aid agricultural development. The program includes construction of two primary roads, bituminous surfacing of two others, and feasibility studies and reviews of designs for about 500 miles of other high-priority roads. All of these will serve areas well suited to agricultural development. One primary road will go through the Awash Valley, which could be developed for irrigated agriculture, and another will run from Bedelle to Gore in an area of fertile soil and adequate rainfall. (Photos from World Bank.)

Ethiopian roads suffered from continuous hard use during World War II. Below, this roadway of the early 1950's—rutted and impassable—was like many in the country.

Ethiopian draftsmen (below) plan new roads. One road to be built with the latest loan runs through the Awash Valley, which could become a major producer of cotton, sugar, oilseeds, and fruits and vegetables.

Large lorry laden with fiber arrives at a factory in Addis Ababa (above). New roads will also facilitate movement of other crops, especially coffee, the country's chief agricultural export and earner of foreign exchange.



Above, herdsmen drive cattle up a new road. With a full-scale animal health program, Ethiopia could build its livestock industry.

Instructors (left) lecture at the Ethiopian Imperial Highway Authority School outside Addis Ababa. This school offers courses in highway construction and the maintenance and use of road-building machinery.

The new roads are being built with modern earth-moving machinery (below) and expert advice from abroad.

Irrigation in Guatemala To Diversify Agriculture

An irrigation program to help diversify Guatemala's agricultural production and raise farm yields will be aided by a loan of $6 million from the Inter-American Development Bank. The Guatemalan Government will supply the other $4 million needed to build the planned 30 small- and medium-sized irrigation projects, totaling roughly 30,000 acres, in eastern and southern Guatemala.

The projects will be devoted to the production of such staples as corn, beans, rice, wheat, potatoes, and vegetables. Increased production of food staples in Guatemala has high priority in the National Rural Development Plan sponsored by the Alliance for Progress because, although it is an exporter of such agricultural commodities as cotton, coffee, bananas, sugar, and meat, Guatemala is an importer of basic food crops.

Another reason the project is important is that at present more than half the country's arable land is idle, and much of the land that is tilled has low yields because of inadequate rainfall and no practical facilities for irrigation. Land improvement is vital for a country whose exports are 80 percent agricultural products and in which one-third of the value of domestic products comes from agricultural goods.

Improving domestic agriculture is also important because more than 65 percent of the economically active population depends on agriculture for employment. The irrigation program will be of direct benefit to nearly 1,350 farm families and will, in addition, provide work for about 1,000 agricultural workers.

The irrigation scheme is coordinated with a 5-year program by the Guatemalan Government for the provision of farm extension and credit services worth $3.9 million. Short- and medium-term credit will be made available for the purchase of agricultural equipment that will improve yields.

U. K. Grain Imports Down

The third estimate by the United Kingdom's Home-Grown Cereals Authority seems to indicate that the effects of sterling devaluation will not have much impact upon the total U. K. grain imports in fiscal 1967-68.

A slight decline from the previous year in British grain imports for 1967-68 is expected, with all the decrease in wheat purchases. This updates the Authority's first estimate (published in *Foreign Agriculture*, Jan. 15), which foresaw a rise in wheat imports and a decline in coarse grains, as well as the second estimate, which predicted declines in imports of both types of grains.

Wheat production estimates are up 50,000 tons from the 3.8 million long tons quoted in the first estimate. Import requirements have been correspondingly cut by over 50,000 tons to 4 million for 1967-68. This is 110,000 tons smaller than imports in 1966-67.

The cumulative intake of home-grown wheat up to November 30, 1967, was 1.17 million tons. This is 10,000 tons above the level for the same 5 months of 1966, with utilization by flour mills put at 650,000 tons. Worth noting are the unsold stocks of wheat on British farms. As of November 30, 1967, these were at the relatively high level of 1.60 million tons (340,000 tons greater than at the same time in 1966).

Increases in feedgrain production are also indicated in the latest estimate. The barley harvest is expected to total 9.25 million tons, 7-1/2 percent above that of 1966-67. Production of other coarse grains, however, remains unchanged at 1.5 million tons.

Import requirements for coarse grains have also been raised from those given earlier and are now 4 million tons, the same amount as in 1966-67.

Exports of barley in 1967-68 are expected to be 310,000 tons below those of 1966-67. The quantity of home-grown barley used by U.K. processors in the July-November period of 1967 amounted to 1.71 million tons, an increase of 100,000 tons from the similar 1966 period. The quantity of other coarse grains fed to livestock, at 600,000 tons, was the same as a year earlier. Unsold stocks of coarse grains have swelled. Surplus barley has risen 370,000 tons above that of the preceding year to 3.9 million. Unsold stocks of other coarse grains were also well above the level at the same time in 1966.

—Based on dispatch from DAVID L. HUME
U.S. Agricultural Attaché, London

Argentine Sugar Controls

Argentine sugar production this year will be limited to 750,000 metric tons, the government has announced. This is the same volume established for 1967. Actual production this year, however, may not exceed 730,000 tons, as there will be a shortfall due to frost damage to the cane in some areas.

Other measures that have been announced by the government for the 1968 sugar crop—

- A minimum of 2,100 pesos ($6) per metric ton of cane meeting the base of 11 percent sucrose content and 80 percent purity.
- A bonus of 280 pesos (80 cents) per ton for each percent of sucrose content over the base, and 21 pesos per ton for each percent of purity over the base.
- A deduction of the same amounts as those given above for each percent of sucrose content and each percent of purity below the base.

The Argentine Government is maintaining production controls on sugar to reduce the existing surplus, estimated at almost 500,000 metric tons at the beginning of the current sugar year (May 1, 1967). Domestic consumption averages about 850,000 tons annually

—Based on dispatch from JOSEPH C. DODSON
U.S. Agricultural Attaché, Buenos Aires

Gulf Wheat Export Subsidy

The Department of Agriculture has announced that, to encourage wheat exports to Far Eastern dollar markets, it will pay a separate export subsidy for higher protein Hard Red Winter wheat shipped from Gulf Coast ports to Asia, over and above the regular Gulf port subsidy rates. These shipments will supplement those moving from West Coast ports.

This additional subsidy, effective from January 2, 1968, to June 30, 1968, will make possible a landed cost of U.S. wheat in Japan from Gulf ports that will be comparable to the landed cost of wheat from U.S. West Coast ports. The subsidy rate will be announced each day along with normal wheat subsidy payment rates.

The new subsidy will apply to dollar exports of Hard Winter wheat with 13 percent protein or higher to countries west of the 170th meridian, West Longitude, and east of the 60th meridian, East Longitude.

Right, billboards outside London's huge Olympia exhibition hall alerted passersby to the 9-day show inside; below right, institutional food businessmen and women stop for a look at the U.S. poultry booth.

U.S. Foods a Hit at Hotelympia Exhibition

Capacity crowds of more than 100,000 British hotel owners, caterers, and institutional chefs—some bucking near-blizzard conditions—came to the U.S. exhibit at the international Hotelympia catering show in London last month. Despite their nation's economic belt-tightening, the Britons seemed eager to examine American institutional packs and during the 9-day event purchased or ordered several thousand dollars worth of U.S. foods.

Grocery Manufacturers of America and FAS sponsored the show, with 18 U.S. firms participating. Here are some comments from exhibitors: "High interest and spirited trade reaction." "We took 300 pounds sterling ($720) in orders for turkey rolls and breasts." "We wrote 3,000 pounds sterling ($7,200) in new orders." An agent representing U.S. fruit cocktail sized up the selling situation this way: "Larger caterers now look at quality as of foremost importance and price as a secondary consideration."

Time-savers popular

Quality and convenience were strong selling points all around. The U.S. rice exhibit drew visitors and inquiries from government and school organizations, hospitals, industrial and workers' canteens, and university and college groups. Many of the chefs from these institutions had previously considered American rice too expensive but realized that when cooked correctly it was a good investment, particularly as a time saver.

Other popular products included dehydrated foods, raisins-in-the-hand, fish dishes, lard, canned fruit, juices, and fruit cocktail.

An attention-drawing new product was frozen bread dough shaped into small loaves which bake in 15 minutes. The firm which makes these "demi-loaves" packages them individually with a cutting board, plastic cover, and bread knife for a table of six.

Television coverage

U.S. hotel management specialist J. J. Wanderstack was at Hotelympia conducting cooking demonstrations in the U.S. test kitchen and lecturing on portion control and menu planning.

He also participated in a half-hour television show which was presented live from the kitchen demonstration area of the U.S. exhibit during a choice daytime viewing period. This program was a valuable byproduct of the U.S. exhibit which carried the American food story to consumers throughout the London area. For the program, four professional chefs each devised and prepared original dishes from products at the show. Henry Stahli of Trans World Airlines was specially flown to London to represent U.S. cookery on the afternoon show.

Australian Chilled Beef Sold to Japan

The Australian Meat Board sent its first shipment of chilled beef to Japan last month—two carcasses and a few special cuts. The Australians—who in 1967 carried out an all-Japan campaign for beef and veal (*Foreign Agriculture*, Dec. 18, 1967)—are hoping that success in this initial shipment will help develop a worthwhile, if small, outlet for their high-priced beef.

The experimental shipment has been arranged by the Australian Meat Board and the Japan Chilled Beef Test Import Deliberation Council—a Japanese industry organization especially created for this project. The major objective of the trial is to establish technical requirements for the development of a chilled beef trade between Australia and Japan. Preparation of the beef to strict specifications laid down by the Australian Meat Board will be undertaken at a Queensland abattoir.

Midyear Look at 1967-68 Feedgrain Use

Clarence D. Palmby, Executive Vice President, U.S. Feed Grains Council, in a speech to the Mill Management Seminar in Tokyo last month narrowed his earlier forecasts of future world feedgrain use (Foreign Agriculture, *July 10, 1967*) *to what's ahead for 1967-68. Following is a summary of his remarks.*

Those of us who through the years have followed feedgrain and manufactured feed utilization have marveled at the regular and dependable increased use of feedgrains in Japan. We have been aware of a cyclical swine price situation and the ups and downs in egg production, but we have observed the dependable growth in feed utilization.

Western Europe stairsteps

The European feedgrain use pattern has varied from that which has taken place in Japan over the last few years. Western Europe has gone through an increased-use pattern of feedgrains in a stairstep manner. Over the last 10 years the feedgrain use has increased rather dramatically every 2 years, caused by the hog production cycle, the existence or lack of grain on farms from domestic production, and to an extent, weather factors.

The utilization of feedgrains in Western Europe, with the exclusion of the United Kingdom, will increase rather substantially during 1967-68 compared with the previous 12 months. Hog numbers are up in Western Europe, but production expansion will likely level off about mid-1968. As this takes place there is again good reason to believe 1967-68 will show a rather substantial increase in feedgrain disappearance in Europe and that the new rate of utilization will continue on a relatively stable level for the 2-year period following.

It has been extremely difficult to forecast feedgrain use in the United Kingdom because of the recent currency devaluation, together with other situations presently existing in the United Kingdom, not the least of which is the severe outbreak of foot-and-mouth disease. The United Kingdom has been second to the United States in volume of feed manufactured, but I suspect that by the end of 1968 Japan will have surpassed the United Kingdom in the volume manufactured annually.

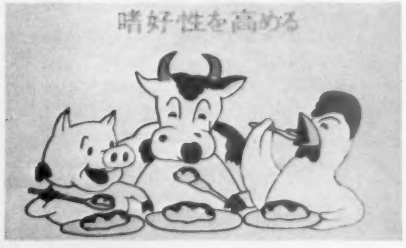
The East European countries appear to be rather rapidly increasing the utilization and production of feedgrains. East Europeans are demanding more animal proteins in their diet. Yugoslavia offers a prime example in increased feed use; this country is producing an increasing amount of quality beef for export to several West European countries. It is obvious that as a matter of national policy the country chooses to export meat in lieu of feedgrains.

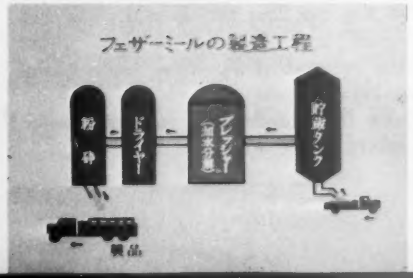
Other countries that have embarked upon an expansion of their livestock and poultry industries are Taiwan and Korea. In still another area of the world, Israel has become a heavy user of corn and grain sorghum. The per capita broiler production in this country is extremely high. Portugal and Spain have embarked upon a program of improved beef cattle production. The feed industry is growing rapidly in both countries. These are just a few examples.

Some general observations

More generally in the remainder of 1967-68 several countries of the world—in addition to the traditional wheat exporters such as Canada and the United States—are and will be desperately attempting to export more wheat into the world market. The volume exported and/or retained should be of more than passing interest to feedgrain users.

The volume of wheat unsold in France is of significance as is the volume that may or may not be imported by Mainland China. The volume of corn now available for export in East Europe is somewhat less than it was a year ago.





Slide Show Sells Tallow

All over Japan, livestock farmers, feed distributors, and reporters are pulling up chairs in local halls and conference rooms to see National Renderers' color slide presentation "Fats and Animal Proteins in Feed." National Renderers is an FAS cooperator for the export promotion of U.S. farm products.

The 30-minute, 108-slide show is accompanied by a taped narration in Japanese and English. It explains the value of using American tallow as a low-cost, high energy ingredient in animal feed and the excellent growth response of livestock and poultry from animal proteins in feed.

National Renderers has been distributing its slide show since April in a "hard sell" attempt to help strengthen the position of U.S. tallow and animal proteins on the Japanese market. The current animal fat and protein market in the Far East—as well as worldwide—is facing difficulties because of the increased availability of competitive commodities.

The slide presentations are brought to rural areas by NRA teams armed with slides, tape recordings, and several hundred copies of a publication containing the text of the naration. The team has already visited key cities in each of six poultry and swine production areas in Japan. Besides Tokyo, slide shows have been put on in Sendai, Gifu, Nagoya, Toyohashi, Mito, Osaka, and Kyoto.

Long before the team's arrival, invitations and notices are dispatched through major feed and livestock production associations and government offices telling interested farmers and feedmen where and when the slides will be shown.

Lively question and answer periods after the shows and requests for additional copies of the narrative publication attest to the enthusiastic response the slides have generated so far.

A few of the 108 slides in NRA's show.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

During the period ending January 31, 1968, U.S. Hard Winter wheat prices rose 1 cent per bushel and Soft Red Winter increased 2 cents. Canadian wheat declined 1 cent per bushel while Argentine increased 1 cent. U.S. Dark Northern Spring and USSR wheat were unchanged.

U.S. and South African corn prices were unchanged. Argentine prices increased 2 cents per bushel.

Following is a listing of the week's Rotterdam prices:

Item	Week ending Jan. 31	Week ending Jan. 24	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.04	2.05	2.22
USSR 121	1.91	1.91	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.93	1.93	2.07
U.S. No. 2 Hard Winter, 12 percent	1.80	1.79	1.91
Argentine	1.80	1.79	1.92
U.S. No. 2 Soft Red Winter	1.74	1.72	1.88
Corn:			
U.S. No. 3 Yellow Corn	1.39	1.39	1.62
Argentine Plate	1.61	1.59	1.70
South African White	1.47	1.47	(1)

[1]Not quoted.

British Honduras Sugar Output To Rise

A target of 75,000 long tons (84,00 short tons) has been announced for sugar production in 1968 by British Honduras. This would be an increase of about 25 percent over production during the previous year.

U.S, U.K., and Canadian quotas give a guaranteed market for 47,000 long tons (52,640 short tons), which would leave 24,000 tons for export at world market prices and 4,000 tons for domestic consumption needs. Because there are plans for expansion of production, it is believed that production costs are below the world market price (2.15 cents per lb.)

Dutch and West German Cocoa Grind

Cocoa bean grindings in the Netherlands during 1967 totaled 111,540 metric tons, down 4.7 percent from 1966 grindings of 117,000.

In West Germany, 68 manufacturers reported a total grind of 124,447 metric tons, a reduction of 2.3 percent from the year before, when grindings for the reporting firms amounted to a total 127,356 metric tons.

India, Ceylon Propose Tea Consortium

In efforts to improve prices and reduce competition between the world's two leading tea producing nations, representatives from India and Ceylon recently held talks involving common policies governing the production and distribution of tea at prices fair to both producers and consumers. It was agreed that joint action was needed in the areas of promotion, evaluation, marketing and research.

At another meeting in March or April representatives will decide whether a tea corporation or consortium should be established and if it should be an inter-governmental arrangement or an agreement between Indian and Ceylonese producers. The proposed organization, when operational, would deal with the processing and marketing of tea in collaboration with distributing agencies in importing countries.

U.K. Cocoa Bean Grind Declines

Reflecting continued adverse economic conditions, the recent currency devaluation, and rising cocoa prices, the United Kingdom's fourth-quarter 1967 cocoa-bean grind fell 14.3 percent from the corresponding 1966 period to 22,800 long tons. Total 1967 grind was 94,200 tons, down 11.5 percent from the year before.

Greek Dried Fig Crop Reduced

Heavy rains in late August and early September severely damaged the 1967 Greek dried fig crop. Production of 21,000 short tons is the lowest in recent years, 22 percent below 1966 and 26 percent below average. Fruit quality was affected by both the heavy rains and extensive insect attacks.

Exports have declined to most foreign markets during the early part of the 1967-68 season. Fewer figs of grade A quality are available for exportation to the United States. Shipments to the EEC have dropped sharply, and Russia has been completely absent from the market. During 1967-68, exports are expected to total approximately one-third less than the 12,500 tons shipped during 1966-67. Hungary, West Germany, the United States, Brazil, and Yugoslavia have been the major buyers of Greek figs during 1967-68.

GREEK SUPPLY AND DISTRIBUTION OF DRIED FIGS

Item	Average 1961-65	1965-66	1966-67	Forecast 1967-68
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	--	--	--	--
Production	28.2	24.5	27.0	21.0
Imports	--	--	--	--
Total supply	28.2	24.5	27.0	21.0
Exports	14.8	12.6	12.5	8.0
Domestic disappearance	13.4	11.9	14.5	13.0
Ending stocks (Aug. 31)	--	--	--	--
Total distribution	28.2	24.5	27.0	21.0

Spain's Almond Crop Dips

Spains's 1967 almond crop is now believed to have totaled only 30,000 short tons shelled basis—down 9 percent from earlier estimates and 27 percent below the record 1966 harvest. However, because of the recent trend of rising production, the 1967 crop is virtually the same as the 1961-65 average. The 1967 estimate

was reduced, because frost damage last spring was more serious than had been indicated earlier.

Exports during the current season are forecast at only 23,000 tons—down sharply from the 32,200 tons shipped during 1966-67. During the first 100 days of the season, 8,100 tons were shipped, with the United Kingdom and France the leading markets by a wide margin as usual. Exports totaled 12,500 tons during the comparable period last season.

Following devaluation of the peseta on November 18, 1967, (and because of the approaching Christmas season) foreign and local demand became very active in late November-early December but sellers withdrew from the market. As a result, price quotations were nominal. Following the imposition of "regulating fees" of 10 pesetas per kilogram (6.5 cents per lb.) on shelled almonds and 2.5 pesetas per kilogram (1.6 cents per lb.) on in-shell almonds on December 5-6, sellers became more active. Although the 14-percent devaluation was less than compensated for by the regulating fees, prices actually rose above predevaluation levels because of the withdrawal of sellers and the shortage of the Spanish almond crop. In mid-January 1968 unselected valencias were selling at 70 cents per pound, as compared with 69 cents in late July and 66 cents in January 1967.

SPAIN'S ALMOND SUPPLY AND DISTRIBUTION
[Shelled basis]

Item	Average 1961-65	Annual 1965-66	Annual 1966-67	Preliminary 1967-68
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	2.6	2.0	1.0	2.0
Production	30.2	30.0	41.0	30.0
Imports	--	--	--	--
Total supply	32.8	32.0	42.0	32.0
Exports	24.7	24.2	32.2	23.0
Domestic disappearance	6.5	6.8	7.8	7.0
Ending stocks (Aug. 31)	1.6	1.0	2.0	2.0
Total distribution	32.8	32.0	42.0	32.0

Spain Still Suspending Soybean Duties

On January 16, 1968, the Spanish Official Bulletin published a decree by the Ministry of Commerce, dated January 13, extending through April 30, 1968, the suspension of import duties accorded to soybeans by Decree 4212 of December 24, 1964 (*Foreign Agriculture*, Nov. 1, 1965). The previous extension of duty-free soybean imports was to terminate January 30, 1968.

Spanish imports of oilseeds in the period January 1 through November 30, 1967, totaled 785,766 metric tons, an increase of over 28 percent from the equivalent period in 1966. Most of these imports consisted of U.S. soybeans, locally processed to meet domestic demand for meal and oil.

Nicaragua Opens Cottonseed Oil Plant

A new cottonseed oil plant in Nicaragua began operation early in January 1968. Built at a cost of approximately $1.57 million, the plant has a capacity to process 150 million pounds of cotton a year and will employ about 270 men.

The construction of the plant was financed in part through loans from the Central American Bank for Economic Integration (CABEI) and from a West German machinery manufacturer. The plant will use Nicaraguan raw materials and will contribute to reducing Nicaragua's deficits in trade with other Central American Common Market countries.

U.S. Cotton Exports Decline

Exports of U.S. cotton in the first 5 months (August-December) of 1967-68 amounted to 1,424,000 running bales, 33 percent below the 2,120,000 bales exported in the same months of the previous season.

Exports in December were 331,000 bales, compared with 298,000 in November and 607,000 in December 1966.

U.S. cotton exports for all of 1967-68 are forecast at 4.25 million bales. This compares with 4.7 million bales shipped last season and an average of 4.1 million bales exported in the most recent five seasons.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average 1960-64	1965	1966	Aug.-Dec. 1966	Aug.-Dec. 1967
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	3	4	3	1
Belgium-Luxembourg	121	43	52	33	15
Denmark	14	7	8	3	4
Finland	17	8	15	8	6
France	319	108	163	77	53
Germany, West	269	92	159	88	39
Italy	345	102	263	98	102
Netherlands	110	38	31	12	7
Norway	13	10	10	6	2
Poland & Danzig	125	42	78	54	27
Portugal	21	6	1	0	1
Spain	74	10	1	(1)	7
Sweden	81	59	71	38	31
Switzerland	74	35	79	39	24
United Kingdom	244	131	153	69	47
Yugoslavia	112	169	139	131	20
Other Europe	17	12	11	4	4
Total Europe	1,979	875	1,238	663	390
Australia	61	33	17	9	12
Bolivia	7	4	9	8	0
Canada	353	269	297	102	72
Chile	18	3	3	(1)	(1)
Colombia	3	57	1	1	0
Congo (Kinshasa)	6	25	34	8	(1)
Ethiopia	9	20	9	3	4
Ghana	1	1	15	8	2
Hong Kong	148	94	183	91	87
India	314	63	289	66	137
Indonesia	40	(1)	161	89	0
Israel	15	5	2	1	1
Jamaica	4	5	5	2	(1)
Japan	1,192	705	1,293	579	355
Korea, Rep. of	261	301	372	135	180
Morocco	12	12	14	10	6
Pakistan	14	6	3	2	(1)
Philippines	123	93	134	65	37
South Africa	41	27	38	15	4
Taiwan	209	178	373	177	94
Thailand	34	55	70	32	29
Tunisia	2	13	15	8	6
Uruguay	6	(1)	0	0	0
Venezuela	8	5	1	1	0
Vietnam, South	46	73	66	32	1
Other countries	18	20	27	13	7
Total	4,924	2,942	4,669	2,120	1,424

[1]Less than 500 bales.

Increase in U.S. Tobacco Exports in 1967

U.S. exports of unmanufactured tobacco in 1967, at 572.3 million pounds (export weight), rose 3.8 percent above the 551.2 million shipped out in 1966.

The value of 1967 exports set a new record for any calendar year—$498.9 million. This compares with $481.5 million in 1966 and only $382.7 million in 1965.

More effective use of sanctions on Rhodesian tobacco trade by major importing countries in 1967 was the principal reason for the moderate increase in U.S. exports. Also, world cigarette output is increasing, resulting in greater demand for good-quality cigarette leaf.

Most of the grain in exports was recorded in shipments of flue-cured, Kentucky-Tennessee fire-cured, Maryland, and stems, trimmings, and scrap. Exports of flue-cured were up 1.1 percent from those of 1966; Maryland exports were 15.1 million pounds, up 4.5 million pounds (42 percent); and for Kentucky-Tennessee fire-cured, the total was 21.7 million, compared with 17.0 million.

The average export price per pound in 1967 for total exports of unmanufactured tobacco was 87.2 cents, compared with 87.4 cents in 1966.

Exports of tobacco products in 1967 totaled $137.1 million, a gain of 5.7 percent from 1966. All categories of products, with the exception of chewing and snuff, recorded increases from the previous year. Cigarette exports, at 23,651 million pieces, were up nearly 1 percent but were still well below the 25,144 million exported in 1964.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

	December		January-December		Change
	1966	1967	1966	1967	from 1966
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	59,419	53,020	422,624	427,435	+ 1.1
Burley	3,340	3,916	45,705	46,060	+ 0.8
Dark-fired Ky.-Tenn.	1,820	2,035	17,021	21,659	+27.2
Va. Fire-cured[1]	389	664	6,340	4,614	-27.2
Maryland	1,452	740	10,612	15,073	+42.0
Green River	17	0	479	858	+79.1
One Sucker	138	0	563	1,029	+82.8
Black Fat	343	562	3,496	4,109	+17.5
Cigar wrapper	219	227	4,471	3,742	-16.3
Cigar binder	52	36	1,909	1,790	- 6.2
Cigar filler	317	254	1,874	914	-51.2
Other	4,802	7,368	36,068	44,992	+24.7
Total	72,308	68,822	551,162	572,275	+ 3.8
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	67.4	59.8	481.5	498.9	+ 3.6

[1]Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

	December		January-December		Change
	1966	1967	1966	1967	from 1966
					Percent
Cigars and cheroots *1,000 pieces*	4,092	3,700	73,214	76,241	+ 4.1
Cigarettes *Million pieces*	1,573	2,049	23,458	23,651	+ 0.8
Chewing and snuff *1,000 pounds*	169	58	514	318	-38.1
Smoking tobacco in pkgs. *1,000 pounds*	69	109	931	1,403	+50.7
Smoking tobacco in bulk *1,000 pounds*	1,981	1,652	14,883	15,945	+ 7.1
Total declared value *Million dollars*	9.9	12.4	129.7	137.1	+ 5.7

Bureau of the Census.

Exports of U.S. Burley Steady in 1967

U.S. exports of burley tobacco in 1967, at 46.1 million pounds (export weight), were about 1 percent larger than the 45.7 million shipped out in 1966. The export value in 1967 was $39.8 million against $39.3 million in 1966. Average price per pound for total 1967 exports was 86.3 cents, compared with 85.9 cents in 1966.

The major markets for U.S. burley last year included West Germany 11.0 million pounds, Thailand 3.7 million, Sweden 3.4 million, Portugal 3.3 million, and the Netherlands 3.3 million.

European Common Market countries purchased 19.5 million pounds in 1967, compared with 16.2 million in 1966.

U.S. EXPORTS OF BURLEY TOBACCO
[Export weight]

Destination	1965	1966[1]	1967[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	9,400	11,795	11,023
Thailand	1,175	3,374	3,711
Sweden	0	4,806	3,411
Portugal	2,655	1,045	3,303
Netherlands	2,126	1,106	3,299
Italy	6,636	968	3,221
Denmark	2,087	2,325	2,551
Switzerland	945	2,235	2,157
Chile	897	1,136	1,565
Belgium-Luxembourg	1,331	1,784	1,456
Austria	520	435	1,383
Finland	1,061	1,320	1,238
Hong Kong	1,499	843	1,200
Philippines	172	1,324	1,105
Norway	687	701	1,068
Congo (Kinshasa)	2,033	14	957
Australia	626	1,628	769
France	572	580	523
Tunisia	0	814	331
Israel	121	86	209
Mexico	3,776	2,410	(2)
Egypt	4,486	3,021	---
Other	2,490	1,955	1,580
Total	45,295	45,705	46,060

[1]Preliminary. [2]Less than 500.
Bureau of the Census.

Finland Cuts Tobacco Excise Taxes

In late December 1967, the Finnish Government announced that retail prices for tobacco products will remain the same as those before devaluation of the finnmark. To compensate for higher costs of leaf tobacco to manufacturers resulting from the devaluation, excise taxes on tobacco products will be reduced slightly. For cigarettes, the excise tax will be decreased from 66 percent of the retail price to 64.57 percent. Thus, increased costs of leaf tobacco will be balanced by the slightly larger profit margin realized by manufacturers. March 1, 1968, is the effective date of the reduction in excise.

U.S. Flue-Cured Exports Rose in 1967

U.S. exports of flue-cured tobacco in 1967 totaled 427.4 million pounds (export weight), slightly above the 422.6 million recorded in 1966.

The United Kingdom took 111.4 million pounds of flue-cured in 1967, compared with 107.4 million in 1966, a rise of 4 percent. West Germany, the second-ranking foreign market, took 94.8 million pounds in 1967, compared with 80.5 million in 1966. Shipments to Japan dropped to 26.3 million from 42.2 million in the previous year.

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Among other major outlets, the Netherlands, Thailand, Ireland, and South Vietnam took more than in 1966. Declines, however, were recorded for Belgium-Luxembourg, Denmark, Australia, and Sweden.

The European Common Market countries purchased a total of 137.5 million pounds of flue-cured in 1967, compared with 117.6 million in 1966.

Average export price per pound for flue-cured in 1967 was 94.3 cents, compared with 92.3 cents in 1966. Most of the price rise resulted from an increase in the proportion of shipments made in stemmed form, which have a higher value than the same quality exported in unstemmed form.

U.S. EXPORTS OF FLUE-CURED TOBACCO
[Export weight]

Destination	Average 1960-64	1965	1966[1]	1967[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United Kingdom	129,775	81,377	107,361	111,410
German, West	65,300	67,374	80,480	94,784
Japan	25,970	36,574	42,016	26,259
Netherlands	21,238	23,289	18,736	24,044
Thailand	8,486	10,452	14,372	19,458
Belgium-Luxembourg	13,453	13,647	12,891	12,545
Ireland	14,402	9,793	11,655	11,991
Vietnam, South	4,962	6,145	10,559	11,373
Denmark	10,402	11,369	11,453	10,908
Australia	16,323	18,391	13,632	10,662
Sweden	9,134	2,403	14,955	9,597
Switzerland	3,546	4,056	6,809	9,013
Taiwan	2,653	4,058	5,709	6,857
Malaysia	3,724	[2]6,568	5,056	6,499
Norway	4,799	3,667	5,917	5,230
Philippines	1,276	636	3,160	3,793
Finland	5,559	3,905	3,374	3,752
New Zealand	4,262	2,829	5,033	3,657
Italy	7,063	1,670	2,459	3,601
Congo (Kinshasa)	1,002	1,848	2,699	3,077
Other	43,852	41,002	44,298	38,925
Total	397,181	351,053	422,624	427,435

[1]Preliminary. [2]Includes Singapore.
Bureau of the Census.

Maryland Tobacco Exports Jump

Maryland tobacco exports rose sharply last year. At 15.1 million pounds, they were 42 percent greater than the 10.6 million pounds shipped out in 1966 and the largest since the 1927 total of 20 million pounds.

Major markets for Maryland leaf last year included: Switzerland, 8.8 million pounds; West Germany, 2.9 million; Belgium-Luxembourg, 1.6 million; and Portugal, 0.9 million.

The average export price per pound for Maryland tobacco in 1967 was 81.4 cents, compared with 80.0 cents in 1966 and 78.4 cents in 1965.

U.S. EXPORTS OF MARYLAND TOBACCO

Destination	1965	1966[1]	1967[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Switzerland	5,912	6,028	8,762
Germany, West	650	1,239	2,866
Belgium-Luxembourg	1,076	688	1,585
Portugal	441	684	887
Spain	350	975	276
Australia	0	0	254
Vietnam, South	227	245	125
Netherlands	608	240	98
Norway	51	63	56
Tunisia	0	66	52
Other	801	384	112
Total	10,116	10,612	15,073

[1]Preliminary.
Bureau of the Census.

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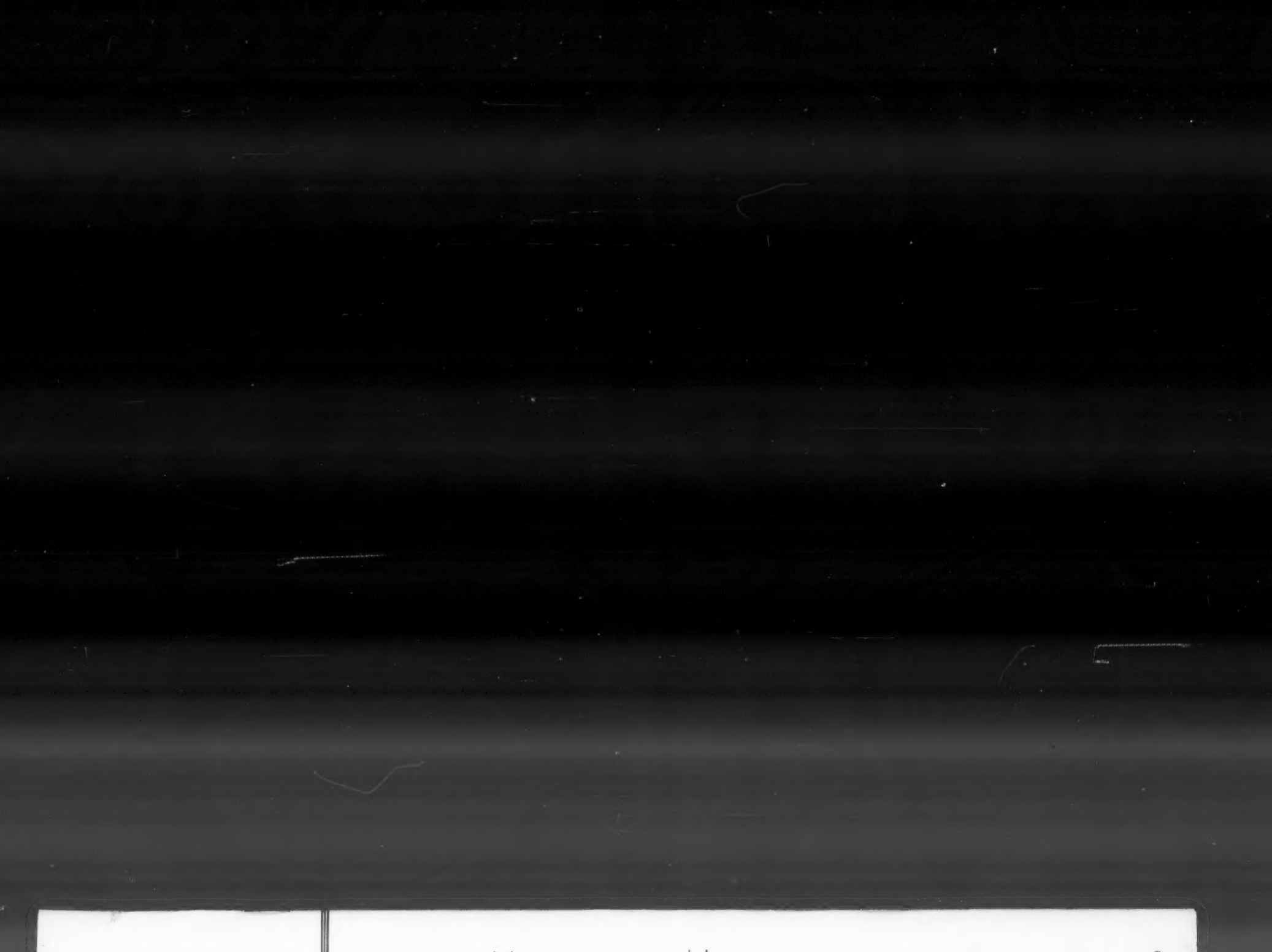
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